

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 22, 2020



**CIRCOR INTERNATIONAL, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**001-14962**  
(Commission File Number)

**04-3477276**  
(I.R.S. Employer  
Identification No.)

**30 CORPORATE DRIVE, SUITE 200**  
**Burlington, MA**  
(Address of principal executive offices and Zip Code)

**01803-4238**  
(Zip Code)

**(781) 270-1200**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CIR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

## **Item 1.01 Entry into a Material Definitive Agreement.**

On May 18, 2020, CIRCOR International, Inc. (the “Company”) entered into Amendment No. 4 to the Credit Agreement (the “Fourth Amendment”), which amends the Credit Agreement, dated as of December 11, 2017, among the Company, certain domestic subsidiaries of the Company, as guarantors, the lenders from time to time party thereto, Deutsche Bank AG New York Branch, as term loan administrative agent and collateral agent, and Truist Bank (formerly known as SunTrust Bank), as revolver administrative agent, swing line lender and a letter of credit issuer (as amended by Amendment No. 1 to the Credit Agreement dated as of January 23, 2018, by Amendment No. 2 to the Credit Agreement dated as of February 19, 2020, and by Amendment No. 3 to the Credit Agreement dated as of February 26, 2020, the “Original Credit Agreement” and as amended by the Fourth Amendment, the “Credit Agreement”). The Fourth Amendment makes certain changes to the Original Credit Agreement, including, among other things, (i) changing the frequency of the immaterial subsidiary testing date from annually to quarterly and (ii) extending the deadline by which the financial statements must be reported (A) with respect to annual reporting, from 90 days after the close of each fiscal year to 100 days after the close of each fiscal year and (B) with respect to quarterly reporting, from 50 days after the close of each fiscal quarter to 60 days after the close of each fiscal quarter, in each case subject to extension to the date that is 2 business days after the last day of any extension or deferral period permitted by the SEC with respect to any such report.

In connection with the execution of the Fourth Amendment, the Company paid customary arranger and lender consent fees and fees and expenses of Deutsche Bank AG New York Branch, in its capacity as term loan administrative agent, and Truist Bank (formerly known as SunTrust Bank), in its capacity as revolver administrative agent.

The foregoing summary of the Fourth Amendment is qualified in its entirety by the complete text of the Fourth Amendment, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference as if fully set forth herein.

## **Item 7.01 Regulation FD Disclosure.**

Effective March 29, 2020, the Company changed its segment reporting for financial statement purposes to align with the manner in which the business is now managed. As previously announced, on January 31, 2020 the Company divested its Instrumentation and Sampling business, which was previously part of the Energy segment. In light of this divestiture, the Company realigned its segments by eliminating the Energy segment and moving the remaining businesses into the Industrial segment. The new reporting segments are Industrial and Aerospace & Defense.

The Company will report on the basis of the new segments beginning with its Quarterly Report on Form 10-Q for the quarter ended March 29, 2020. Attached hereto as Exhibit 99.1 is quarterly supplemental financial information for fiscal years 2019 and 2018 that has been recast to reflect the new segments. The recasting of our segments had no effect on the Company's previously reported net income, financial condition or cash flows.

The Company's management evaluates segment operating performance using operating income before certain charges/credits to cost of revenues and selling, general and administrative expenses, principally associated with acquisition-related activities; restructuring and other costs/income including costs arising from facility consolidations and gains and losses from the sale of product lines; and amortization of acquisition-related intangible assets. The Company also refers to this measure as segment operating income or adjusted operating income. The Company uses this measure because it helps management understand and evaluate the segments' core operating results and facilitate comparison of performance for determining incentive compensation achievement.

In the attached Exhibit 99.1, the Company uses the following non-GAAP financial measures: segment operating income and segment operating margin % described as follows:

- Segment operating income is defined as GAAP operating income excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, the impact of restructuring related inventory, impairment and special charges or gains.
- Segment operating margin % is defined as segment operating income divided by net revenues.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States.

A reconciliation of segment operating income and segment operating margin to the most directly comparable GAAP financial measure is provided in the tables within Exhibit 99.1 titled, "Reconciliation of Segment Information to GAAP Operating Income."

The information contained in Item 7.01 of this Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

#### **Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
<a href="#"><u>10.1</u></a>	Amendment No. 4 to the Credit Agreement, dated as of May 18, 2020, by and among CIRCOR International, Inc., certain domestic subsidiaries of the Company, as guarantors, the lenders party thereto, Deutsche Bank AG New York Branch, as term loan administrative agent and as collateral agent and Truist Bank (formerly known as SunTrust Bank), as revolver administrative agent.
<a href="#"><u>99.1</u></a>	Quarterly Supplemental Recast Financial Information for Fiscal 2018 and 2019
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)]

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CIRCOR INTERNATIONAL, INC.**

**May 22, 2020**

/s/ Abhi Khandelwal

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Abhi Khandelwal

**Senior Vice President and Chief Financial Officer**

**AMENDMENT NO. 4**, dated as of May 18, 2020 (this “Amendment”), to the Credit Agreement dated as of December 11, 2017 (as amended by Amendment No. 1, dated January 12, 2018, Amendment No. 2, dated February 19, 2020, Amendment No. 3, dated February 26, 2020 and as further amended, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among CIRCOR INTERNATIONAL, INC., a Delaware corporation (the “Borrower”), the other Credit Parties party thereto, DEUTSCHE BANK AG NEW YORK BRANCH, as Term Loan Administrative Agent and as Collateral Agent, TRUIST BANK (f/k/a SunTrust Bank), as the Revolver Administrative Agent, Swing Line Lender and an LC Issuer and each other Lender and LC Issuer from time to time party thereto (collectively, the “Lenders”). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, pursuant to Section 11.12 of the Credit Agreement, the Credit Agreement may be amended with the written consent of the Borrower, the Administrative Agents and the Required Lenders;

WHEREAS, the Borrower, the Administrative Agents and the Required Lenders party hereto desire to amend the Existing Credit Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1.                    Amendments. Effective as of the Amendment No. 4 Effective Date, the Loan Agreement shall be amended as follows:

(a) The definition of “Immaterial Subsidiary Testing Date” in Section 1.01 of the Credit Agreement shall be amended by deleting the word “year” and replacing it with the word “quarter.”

(b) The definition of “Notice Office” in Section 1.01 of the Credit Agreement shall be deleted in its entirety and replaced with the following:

““Notice Office” means (i) in the case of the Term Loan Administrative Agent, the office of the Term Loan Administrative Agent at 60 Wall Street, 2nd Floor, New York, New York, 10005, Attention: Jessica Lutrario (email: jessica.lutrario@db.com) and (ii) in the case of the Revolver Administrative Agent, the office of the Revolver Administrative Agent at 3333 Peachtree Rd Ne, 8th Floor, Atlanta, Georgia, 30326, Attention: Anika Kirs (email: anika.kirs@suntrust.com), or such other office as the applicable Administrative Agent may designate in writing to the Borrower from time to time.”

(c) Section 6.01(a) of the Credit Agreement shall be amended by deleting the phrase “90 days” and replacing it with the phrase “100 days (or, if longer, within two Business Days after the last day of any extension or deferral period permitted by the SEC from time to time for the filing of annual reports on Form 10-K or on any applicable equivalent form).”

(d) Section 6.01(a) of the Credit Agreement shall be amended by deleting the phrase “50 days” and replacing it with the phrase “60 days (or, if longer, within two Business Days after the

last day of any extension or deferral period permitted by the SEC from time to time for the filing of quarterly reports on Form 10-Q or on any applicable equivalent form).”

(e) Section 6.01(k) shall be amended by deleting the phrase “subpart (a)” and replacing it with the phrase “subparts (a) and (b).”

SECTION 2. **Conditions to Effectiveness.** This Amendment shall become effective on the date (such date being referred to as the “Amendment No. 4 Effective Date”) when each of the following conditions shall have been satisfied:

(a) (i) the Borrower shall have executed and delivered a counterpart of this Amendment to the Administrative Agents, (ii) Lenders constituting Required Lenders (the “Consenting Lenders”) shall have executed and delivered counterparts of this Amendment to the Administrative Agents and (iii) each Administrative Agent shall have executed a counterpart of this Amendment;

(b) each of the representations and warranties of each Credit Party contained in Section 3 hereof shall be true and correct on and as of the Amendment No. 4 Effective Date;

(c) no Default or Event of Default shall have occurred and be continuing on the Amendment No. 4 Effective Date;

(d) Deutsche Bank Securities Inc. shall have received the fees in the amounts previously agreed to in writing with the Borrower to be received on the Amendment No. 4 Effective Date pursuant to that certain Engagement Letter, dated as of May 11, 2020 and under Section 11.01 of the Credit Agreement (including the reasonable legal fees and expenses of Cahill Gordon & Reindel LLP, counsel to the Administrative Agents); and

(e) the Term Loan Administrative Agent and the Revolver Administrative Agent, as applicable, shall have received, for the account of the Consenting Lenders who have delivered an executed counterpart of this Amendment prior to 5:00 p.m. (New York City time) on May 14th, 2020, consent fees in an amount equal to 0.125% of their Loans; this fee will be fully earned and due and payable on the Amendment No. 4 Effective Date.

SECTION 3. **Representations and Warranties.** The Borrower hereby represents and warrants on and as of the Amendment No. 4 Effective Date that:

(a) the Borrower is a duly organized or formed and validly existing corporation in good standing under the laws of the jurisdiction of its formation and has the corporate power and authority to execute and deliver this Amendment and carry out the terms and provisions of this Amendment and the Credit Agreement and has taken all necessary corporate action to authorize the execution and delivery of this Amendment and performance of this Amendment and the Credit Agreement;

(b) the Borrower has duly executed and delivered this Amendment and each of this Amendment and the Credit Agreement constitutes the legal, valid and binding agreement and obligation of the Borrower enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws generally affecting creditors’ rights and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(c) none of the execution and delivery by the Borrower of this Amendment, the performance by the Borrower of this Amendment and the Credit Agreement or the compliance with the terms and provisions hereof or thereof or the consummation of the transactions contemplated hereby (i) will contravene any provision of any law, statute, rule, regulation, order, writ, injunction or decree of any Governmental Authority applicable to the Borrower or its properties and assets in a manner that is materially adverse to the Borrower or its Restricted Subsidiaries, (ii) will conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (other than the Liens created pursuant to the Collateral Documents or Liens otherwise permitted under the Credit Agreement) upon any of the property or assets of the Borrower pursuant to the terms of any promissory note, bond, debenture, indenture, mortgage, deed of trust, credit or loan agreement, or any other Material Agreement or (iii) will violate any provision of the Organizational Documents of the Borrower and its Restricted Subsidiaries;

(d) the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that if any such representation or warranty contains any materiality qualifier, such representation or warranty is true and correct in all respects) on and as of the Amendment No. 4 Effective Date (both before and after giving effect thereto) to the same extent as though made on and as of the Amendment No. 4 Effective Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties are true and correct in all material respects (except that if any such representation or warranty contains any materiality qualifier, such representation or warranty is true and correct in all respects) on and as of such earlier date; and

(e) upon the effectiveness of this Amendment, no Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated hereby.

#### SECTION 4. **Effect on Loan Documents.**

(a) On and after the effectiveness of this Amendment, each reference in any Loan Document to “the Credit Agreement” shall mean and be a reference to the Credit Agreement as amended by this Amendment and each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(b) Except as specifically amended herein, all Loan Documents (including all guarantees and Liens granted thereunder in respect of the Secured Obligations) shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents or in any way limit, impair or otherwise affect the rights and remedies of the Administrative Agents or the Lenders under the Loan Documents. This Amendment shall not constitute a novation of the Credit Agreement or the other Loan Documents.

(d) The Borrower and the other parties hereto acknowledge and agree that, on and after the Amendment No. 4 Effective Date, this Amendment shall constitute a Loan Document for all purposes of the Credit Agreement.

SECTION 5. **Governing Law, Submission to Jurisdiction, Venue and Waiver of Jury Trial.** The provisions of Section 11.08 of the Credit Agreement are hereby deemed to be incorporated herein, *mutatis mutandis*.

SECTION 6. **Miscellaneous.**

(a) This Amendment shall be binding upon and inure to the benefit of the Credit Parties and their respective successors and permitted assigns, and upon the Administrative Agents and the Lenders and their respective successors and permitted assigns.

(b) To the extent permitted by applicable Requirements of Law, any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(c) This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf. or electronic mail that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. As used herein, the term “Electronic Signature” shall mean an electronic symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

[Remainder of page intentionally left blank.]

(d)



IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

CIRCOR INTERNATIONAL, INC., as Borrower

By: /s/ Tanya Dawkins  
Name: Tanya Dawkins  
Title: Vice President and Treasurer

[Signature Page to Amendment No. 4]

DEUTSCHE BANK AG NEW YORK BRANCH, as Term Loan Administrative Agent and  
Collateral Agent

By: /s/ Michael Strobel  
Name: Michael Strobel  
Title: Vice President

By: /s/ Alicia Schug  
Name: Alicia Schug  
Title: Vice President

[Signature Page to Amendment No. 4]

TRUIST BANK, as successor by merger to SunTrust Bank, as Revolver Administrative Agent

By: /s/ Katherine Bass  
Name: Katherine Bass  
Title: Director

[Signature Page to Amendment No. 4]

[Lender Signature Pages on File with Administrative Agent]

## CIRCOR INTERNATIONAL INC.

## Segment Information

(in thousands, except percentages)

## UNAUDITED

2018						2019				
1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL		1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL

## As Reported

## ORDERS

Aerospace & Defense	\$	59,793	\$	59,441	\$	81,533	\$	76,702	\$	277,469	\$	88,107	\$	93,405	\$	63,968	\$	68,459	\$	313,939
Industrial		221,943		203,571		202,022		194,205		821,741		171,834		164,642		158,986		168,091		663,553
Total	\$	281,736	\$	263,012	\$	283,555	\$	270,907	\$	1,099,210	\$	259,941	\$	258,047	\$	222,954	\$	236,550	\$	977,492

## NET REVENUES

Aerospace & Defense	\$	58,477	\$	57,500	\$	57,757	\$	63,283	\$	237,017	\$	61,240	\$	64,694	\$	67,621	\$	79,070	\$	272,625
Industrial		181,410		202,158		189,452		203,433		776,453		177,615		181,074		169,431		163,568		691,688
Total	\$	239,887	\$	259,658	\$	247,209	\$	266,716	\$	1,013,470	\$	238,855	\$	245,768	\$	237,052	\$	242,638	\$	964,313

## SEGMENT OPERATING INCOME

Aerospace & Defense	\$	8,931	\$	6,992	\$	8,709	\$	11,415	\$	36,047	\$	9,374	\$	10,443	\$	13,564	\$	19,099	\$	52,480
Industrial		21,188		26,279		26,573		30,791		104,831		22,581		26,173		21,278		20,757		90,789
Corporate expenses		(10,413)		(7,001)		(10,272)		(11,325)		(39,011)		(8,522)		(8,028)		(9,248)		(7,671)		(33,469)
Total	\$	19,706	\$	26,270	\$	25,010	\$	30,881	\$	101,867	\$	23,433	\$	28,588	\$	25,594	\$	32,185	\$	109,800

## SEGMENT OPERATING MARGIN %

Aerospace & Defense	15.3%	12.2%	15.1%	18.0%	15.2%	15.3%	16.1%	20.1%	24.2%	19.2%
Industrial	11.7%	13.0%	14.0%	15.1%	13.5%	12.7%	14.5%	12.6%	12.7%	13.1%
Total	8.2%	10.1%	10.1%	11.6%	10.1%	9.8%	11.6%	10.8%	13.3%	11.4%

Results of Divested Businesses (1)	2018					2019				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL
ORDERS - Industrial	\$ 47,957	\$ 47,931	\$ 45,388	\$ 47,297	\$ 188,573	\$ 30,611	\$ 24,448	\$ 22,090	\$ 18,047	\$ 95,196
NET REVENUES - Industrial	43,825	44,000	42,943	49,222	179,991	29,787	26,101	20,697	18,602	95,187
SEGMENT OP. INC. - Industrial	5,804	6,286	7,030	8,264	27,385	6,217	5,229	2,677	3,166	17,289

Results Excluding Divested Businesses	2018					2019				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL
<b>ORDERS</b>										
Aerospace & Defense	\$ 59,793	\$ 59,441	\$ 81,533	\$ 76,702	\$ 277,469	\$ 88,107	\$ 93,405	\$ 63,968	\$ 68,459	\$ 313,939
Industrial	173,986	155,640	156,634	146,908	633,168	141,223	140,194	136,896	150,044	568,357
Total	\$ 233,779	\$ 215,081	\$ 238,167	\$ 223,610	\$ 910,637	\$ 229,330	\$ 233,599	\$ 200,864	\$ 218,503	\$ 882,296

#### NET REVENUES

Aerospace & Defense	\$ 58,477	\$ 57,500	\$ 57,757	\$ 63,283	\$ 237,017	\$ 61,240	\$ 64,694	\$ 67,621	\$ 79,070	\$ 272,625
Industrial	137,585	158,158	146,509	154,211	596,463	147,828	154,973	148,734	144,966	596,501
Total	\$ 196,062	\$ 215,658	\$ 204,266	\$ 217,494	\$ 833,480	\$ 209,068	\$ 219,667	\$ 216,355	\$ 224,036	\$ 869,126

#### SEGMENT OPERATING INCOME

Aerospace & Defense	\$ 8,931	\$ 6,992	\$ 8,709	\$ 11,415	\$ 36,047	\$ 9,374	\$ 10,443	\$ 13,564	\$ 19,099	\$ 52,480
Industrial	15,384	19,993	19,543	22,527	77,447	16,364	20,944	18,601	17,591	73,500
Corporate expenses	(10,413)	(7,001)	(10,272)	(11,325)	(39,011)	(8,522)	(8,028)	(9,248)	(7,671)	(33,469)
Total	\$ 13,902	\$ 19,984	\$ 17,980	\$ 22,617	\$ 74,483	\$ 17,216	\$ 23,359	\$ 22,917	\$ 29,019	\$ 92,511

#### SEGMENT OPERATING MARGIN %

Aerospace & Defense	15.3%	12.2%	15.1%	18.0%	15.2%	15.3%	16.1%	20.1%	24.2%	19.2%
Industrial	11.2%	12.6%	13.3%	14.6%	13.0%	11.1%	13.5%	12.5%	12.1%	12.3%
Total	7.1%	9.3%	8.8%	10.4%	8.9%	8.2%	10.6%	10.6%	13.0%	10.6%

(1) Divested businesses are related to the Industrial Segment and include Reliability Services, Spence/Nicholson, Delden and Instrumentation & Sampling. Engineered Valves and Distributed Valves are discontinued operations and not reflected in the As Reported figures in accordance with US GAAP.

**CIRCOR INTERNATIONAL INC.**  
**Reconciliation of Segment Information to GAAP Operating Income**  
**(in thousands, except percentages)**  
**UNAUDITED**

2018						2019				
1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL		1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD TOTAL

<b>GAAP OPERATING (LOSS) INCOME</b>	\$	(7,787)	\$	10,600	\$	8,545	\$	10,295	\$	21,653	\$	17,750	\$	12,019	\$	(9,084)	\$	16,996	\$	37,681
LESS:																				
Restructuring related inventory charges		473		15		—		(142)		346		325				(1,145)		—		(820)
Amortization of inventory step-up		6,600		—		—		—		6,600		—		—		—		—		—
Restructuring charges, net		3,426		524		1,090		808		5,848		358		299		5,038		(509)		5,186
Acquisition amortization		11,797		11,768		11,734		12,011		47,310		12,078		11,247		11,202		11,188		45,715
Acquisition depreciation		1,837		1,734		1,743		1,735		7,049		1,123		1,106		1,102		1,021		4,352
Special charges (recoveries), net		3,360		1,629		1,898		6,174		13,061		(8,200)		3,917		18,481		3,488		17,686
<b>ADJUSTED OPERATING INCOME</b>	\$	19,706	\$	26,270	\$	25,010	\$	30,881	\$	101,867	\$	23,434	\$	28,588	\$	25,594	\$	32,184	\$	109,800

<b>GAAP OPERATING MARGIN</b>	(3.2)%	4.1%	3.5%	3.9 %	2.1%	7.4 %	4.9%	(3.8)%	7 %	3.9 %
LESS:										
Restructuring related inventory charges	0.2 %	—%	—%	(0.1)%	—%	0.1 %	—%	(0.5)%	— %	(0.1)%
Amortization of inventory step-up	2.8 %	—%	—%	— %	0.7%	— %	—%	— %	— %	— %
Restructuring charges, net	1.4 %	0.2%	0.4%	0.3 %	0.6%	0.1 %	0.1%	2.1 %	(0.2)%	0.5 %
Acquisition amortization	4.9 %	4.5%	4.7%	4.5 %	4.7%	5.1 %	4.6%	4.7 %	4.6 %	4.7 %
Acquisition depreciation	0.8 %	0.7%	0.7%	0.7 %	0.7%	0.5 %	0.5%	0.5 %	0.4 %	0.5 %
Special charges (recoveries), net	1.4 %	0.6%	0.8%	2.3 %	1.3%	(3.4)%	1.6%	7.8 %	1.4 %	1.8 %
<b>ADJUSTED OPERATING MARGIN</b>	8.3 %	10.1%	10.1%	11.6 %	10.1%	9.8 %	11.7%	10.8 %	13.2 %	11.3 %